

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

AHDD&F Department – Promotion of Domestic Fish Marketing - To improve the consumption up to 30% of State's production of fish and shrimp through key interventions & development of Infrastructure – Operational Guidelines – Orders - Issued

ANIMAL HUSBANDRY DAIRY DEVELOPMENT & FISHERIES (FISH) DEPARTMENT

G.O.Rt.No.226

Dated:27.08.2021.

Read:-

From the Commissioner of Fisheries, A.P, Vijayawada,
Lr. No. 564/C/2021, Date: 3-8-2021.

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ORDER:

The Government have noticed that various schemes and policies of the State Government have supported interventions in the best way at each step of the fish value chain for developing the fisheries sector across the State through enhanced production and exploring export opportunities. Despite having the highest production, the per capita fish consumption in the State is meager.

2. Given the same, the State of Andhra Pradesh has desired to launch a dedicated programme to develop a fish and aqua product value chain to enhance the per capita consumption of fish in the State. The programme's primary objective is to improve domestic consumption by utilizing 30% of the State's fish & shrimp production by ensuring easy access of fish and aqua products to the end consumers. It has been envisaged that the total fish consumption within the State would be enhanced up to 15 lakh MT by 2025 from the current consumption of 4.36 lakh MT which in turn aqua farmers and fishers to get a better price for their produce and nutritional security to the public.

3. The Government have also planned to promote the pre-processing and processing units for aqua products to strengthen the backward linkage and to provide guaranteed market and remunerative price realization to the fish farmers and fishermen especially during the pandemic and price fall in the market and to avoid distress sale.

4. After careful examination, the Government have decided to promote the domestic fish marketing with well-structured fish value chain in the State to improve the domestic fish consumption by utilizing indigenously produced fish and shrimp in the State through the following interventions and infrastructure development:

1. Promotion of Domestic Fish Marketing with well-structured fish value chain through Hub & Spoke Model.
2. Establishment of Pre-processing and Processing units.

5. The Commissioner of Fisheries, A.P., Vijayawada shall take necessary steps in the matter accordingly to improve domestic fish consumption up to 30% of State's fish & shrimp production.

6. The operational guidelines for promoting domestic fish marketing and establishment of Pre-processing and Processing units are appended to these orders

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.POONAM MALAKONDAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To

The Commissioner of Fisheries, Vijayawada , Andhrapradesh.

Copy to:

The OSD to Minister (AHDD&F).,

The P.S. to Chief Secretary to Govrnment.,

The P.S. to Spl. Chief Secretary, AH,DD&F Department.

SC/SF.

//FORWARDED :: BY :: ORDER//


SECTION OFFICER


**(ANNEXURE to G.O. Rt. No. 226 AH DD & Fisheries (Fish)
Department Dt : 27.08.2021)**

**OPERATIONAL GUIDELINES FOR PROMOTING DOMESTIC FISH
MARKETING AND ESTABLISHMENT OF PRE PROSESSING AND
PROCESSING UNITS**

I. Introduction:

The Government have desired to promote the domestic fish market to enhance domestic fish consumption by utilizing the 30% of the State's fish & shrimp production through the hub & spoke model. Further, the Government has also desired to establish pre-processing and processing units for processing aqua produce to strengthen the backward linkage and provide guaranteed market and remunerative price realization to the fish farmers and fishermen, especially during the pandemic and price fall in the market and avoid distress sale.

It is estimated that 1.00 lakh aqua farmers and about 3.65 lakh of marine fishers, and about 1.56 lakh inland fishers will be benefited from this programme besides providing direct and indirect employment opportunities to about 1.00 lakh plus people in the supply chain.

II. Objectives:

1. To promote and develop domestic marketing to improve consumption of up to 30% of the State's fish and shrimp production.
2. To facilitate remunerative prices for fish and shrimp produced/ by the aquaculture farmers and fishers even during pandemic and price fall situations.
3. To ensure nutritional security to the public by facilitating access to quality aqua produces for the consumers at reasonable price.
4. To provide additional livelihood support to the people of Andhrapradesh by providing employment and entrepreneurship opportunities.
5. To enhance the income of the coastal fishers and stakeholders.

III. Implementation Plan:

1. Hub & Spoke Model:

A total of 100 Aqua Hubs are proposed to establish across the state on saturation mode. In this regard, 25 aqua hubs was sanctioned for the first phase and in the 2nd phase, up to 75 Hubs will be developed on need basis and on saturation mode to deliver fish to every village through retail outlets of various formats including mini retail outlets (Janata Bazars) linked with the Aqua Hubs.

The responsibility of aqua hubs is to ensure continuous supply of live fish, fresh fish and fish products by sourcing, aggregation, processing, quality check and logistics management etc. and will be responsible for

seamless supply of fish and fish products to the retail outlets in the fixed jurisdiction as per respective indent.

These Hubs will be owned and operated by the selected Aqua Farmers Societies (AFS). Where formation of AFS is difficult due to non-availability of potential aqua farmers/entrepreneurs, a partnership firm/Limited Liability Partnership firm (LLP) and private limited company will be formed with minimum three members for sanctioning an Aqua Hub.

The different types of spokes attached to every individual Aqua Hub are mentioned below:

S. No.	Unit Name	No. of Spokes Attached to Hub	Total No. for 100 Aqua Hubs
1	Aqua Hub	1	100
2	Value added unit	Phase one: 1 unit Phase two: 0unit	25
3	Live Fish Vending Centres	Phase one: 5 unit Phase two: 3 unit	350
4	Fish Kiosk	Phase one:8 units Phase two: 8units	800
5	Fish & food Vending vehicle(4-wheeler)	Phase one:2 units Phase two: 2units	200
6	3-Wheeler Fish Vending Cart(EV)	Phase one:10 unit Phase two: 5unit	625
7	Mini Fish Retail Units	Phase one:120 unit Phase two:120 unit	12000
	Total	100 Aqua hubs & 14,000Spokes	

Except Mini Fish Retail Outlets, rest of the formats have 40% / 60% subsidy through PMMSY schemes (on sanctioned PMSSY unit cost) and the remaining capital cost will be borne by the beneficiary with assistance of bank loan.

The mini retail units will be established in every gram/ ward secretariat to the extent possible to ensue supply of live fish, fresh fish and fish products throughout the nook and corner of the state. Mini Fish Retail unit will be established by enthusiastic entrepreneurs selected through a transparent process and will be linked with the bank for loan assistance.

The vendors for infrastructure development were selected / empanelled through State Level Tender Committee by calling RFP/EOI. A third-party quality control agency has been roped in to ensure the quality and standards of the construction work of all the units. Further the unit costs were arrived including all components such as market survey, 3rd party quality auditing during construction cost, call center maintenance & brand promotion cost etc.

For maintaining uniformity and to ensure supply of quality produce, an unique Brand was registered by the Department of Fisheries.

Therefore, all the units have to maintain uniformity in external design and run the stores as per the SOP given by the Department of Fisheries.

Further, an integrated IT platform for operating day to day business of aqua hub and other spokes is being developing for inventory, logistics, CRM and financial management etc. along with e-commerce facility to perform online business.

Price finalization of each of the retail unit formats has been done through RFP process and financing pattern follows.

Unit Name	Total number of units	PMMSY unit cost (in lakh INR)	Unit cost (through RFP) (INR)	Total Unit cost* (in lakh INR)	GOI subsidy (in lakh INR)	GOAP subsidy (in lakh INR)	Beneficiary contribution (in lakh INR)	Loan (in lakh INR)	Total Cost of all units (in lakh INR)	Working capital/ Unit (in Lakh INR)	Total Working capital of all units (in lakh INR)
Aqua Hub (Unit cost includes GST @16%)	100	100	16191336	163.16	24.00	16.00	24.47	98.68	16315.8	25	2500
Value added unit (Brick and Mortar)	20	50	4588859	50.00	12.00	8.00	7.50	22.50	1000.0	1.15	23
Value added unit (Porta Cabin)	5	50	5139347	51.71	12.00	8.00	7.76	23.95	258.6	1.15	6
Live Fish Vending Centers (Brick and Mortar)	225	20	2100602	21.15	4.80	3.20	3.17	9.98	4758.8	0.65	146
Live Fish Vending Center (Brick and Mortar)	125	20	2448665	24.63	4.80	3.20	3.69	12.94	3078.9	0.65	81
Fish Kiosk (Brick and Mortar)	600	10	1046043	10.54	2.40	1.60	1.58	4.96	6325.6	0.4	240
Fish Kiosk (Porta Cabin)	200	10	1165731	11.74	2.40	1.60	1.76	5.98	2347.9	0.4	80
4 wheeler Fish and food vending vehicle	200	10	1276256	12.83	2.40	1.60	1.92	6.90	2565.6	0.3	60
3-Wheeler Fish Vending Cart (EV)	625	3	478300	4.82	0.72	0.48	0.72	2.90	3015.1	0.2	125
Mini Retail (Unit cost includes GST @16%)	12000	1	142856	1.46			0.22	1.24	17520.7	0.08	960
Total	14100								57187		4221

* Total unit cost includes Market survey cost, Infrastructure quality auditing cost, Call centre maintenance & Brand promotion cost etc. Cost per unit may vary based on the applicable GST.

2. Establishment of pre-processing and processing units:

Total of 23 pre-processing and 10 processing units have been proposed to establish across Andhra Pradesh considering the need and potential. The proposed locations for setting up of pre-processing and processing units follows:

S. No.	District	Pre-processing units	Processing units
1	Srikakulam/ Vizianagaram	0	1
2	Vishakhapatnam	4	1
3	East Godavari	4	1
4	West Godavari	4	2
5	Krishna	4	2
6	Guntur	3	1
7	Prakasam	2	1
8	SPSR Nellore	2	1
	Total	23	10

The pre-processing plants will be developed in the potential aquaculture clusters to optimize labour demand in the existing processing units and to provide employment opportunity to the local labour force especially rural women. Further, transportation and logistics cost will reduce and maintaining freshness of the raw materials will be easier. These plants will be developed as per the prescribed international

standards and will tie-up with the existing processing plants for supply of materials for further processing.

To provide a guaranteed marketing channel and remunerative price realization to the aqua farmers and fishermen of AP necessary support is required. The processing units will procure fish/shrimp from the local fish farmers/ fishermen. The core objective of establishing processing plant is to protect the aqua farmers and fishermen from distress sale and procure aqua produce price fixed by government during the pandemics and price fall in markets by ensuring remunerative price. The processing plants will also create employment opportunities to marginalized women/men living in the vicinity of the Processing Unit. Moreover, processing of the fish and shrimp will reduce the wastage of aqua products and low price realization of degraded products.

Aqua Farmers Societies (AFS) formed by proactive and interested fish farmers will own and operate the pre-processing and processing units by availing the support from the government. The AFS owning the pre-processing and processing unit will be responsible for establishment, entire operation and management of the unit.

The Govt. of Andhrapradesh will provide financial support of 20% of the unit cost and balance amount has to be borne by the AFS or get financial assistance from the NCDC/Bank. The proposed finance pattern for establishment and operation of pre-processing and processing units are as show as below:

Sl. No	Unit	No of proposed units	Unit Cost (Rs.)	Total estimated cost (Rs.)	GOAP (Rs.)	NCDC/ Bank loan (Rs.)	Ben. Contrib. (Rs.)
1	Pre-processing unit	23	6.39 Cr.	146.90 Cr.	20% (29.38 Cr.)	63% (92.55 Cr.)	17% (24.97 Cr.)
2	Processing unit	10	40.00 Cr.	400.00 Cr.	20% (80.00 Cr.)	63% (252.00 Cr.)	17% (68.00 Cr.)
	Total			546.90 Cr.	109.38 Cr.	344.55 Cr.	92.97 Cr.

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